



General Assembly

January Session, 2005

**Committee Bill No. 914**

LCO No. 4215

\*04215SB00914ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

**AN ACT CONCERNING PAYMENT IN LIEU OF TAX REVENUE FROM  
RESTRUCTURING OF ELECTRIC INDUSTRY.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 12-94d of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Municipality" means each town, city, borough, consolidated  
5 town and city and consolidated town and borough and each district, as  
6 defined in section 7-324; and

7 (2) "Next succeeding" means the second such date.

8 (b) For a period of ten years beginning with the assessment year  
9 during which the value of an electric generation facility decreases as a  
10 direct result of restructuring of the electric industry, but in no event  
11 later than October 1, 2005, or, in the case of a generating facility with  
12 an operating capacity of four hundred thirty-four megawatts located in  
13 a municipality with a population of greater than eighteen thousand  
14 and less than nineteen thousand, no later than October 1, 2006, the  
15 municipality in which the facility is located shall be entitled, in

16 addition to the amount of tax for which the owner of an electric  
17 generation facility is liable under this chapter with respect to such  
18 facility, to an amount as computed in subsection (c) of this section.

19 (c) (1) The additional amount shall be a percentage of (A) the  
20 difference between the value of an electric generation facility as it  
21 would have been assessed were it not for said restructuring taking into  
22 account depreciation and the assessed value of such facility, (B)  
23 multiplied by the mill rate of the municipality in which the facility is  
24 located for the applicable assessment year, (C) minus the amount of  
25 any increase in property tax revenues to such municipality as a result  
26 of any increase in value of the facility or an additional electric  
27 generation facility in the municipality.

28 (2) The assessor or board of assessors shall calculate the additional  
29 amount as follows: (A) For the assessment year during which the value  
30 of such facility decreased as a direct result of said restructuring, one  
31 hundred per cent of the amount computed under subdivision (1) of  
32 this subsection; and (B) for each assessment year thereafter, ten per  
33 cent less for each succeeding year until the percentage is zero.

34 (d) On or before June fifteenth, annually, following the assessment  
35 date for which the value of an electric generation facility decreases as a  
36 direct result of restructuring of the electric industry, the assessor or  
37 board of assessors of a municipality in which such a facility is located  
38 shall certify to the Secretary of the Office of Policy and Management,  
39 on a form furnished by the secretary, the amount as computed in  
40 subsection (c) of this section together with supporting information as  
41 the secretary may require. The secretary may reevaluate any such  
42 facility when, in the secretary's judgment, the valuation is inaccurate.  
43 The secretary shall review each claim and modify the value of any  
44 facility included therein when, in the secretary's judgment, the value is  
45 inaccurate or the facility did not decrease in value as a direct result of  
46 restructuring of the electric industry. Not later than July first next  
47 succeeding the assessment date for which the amount was approved  
48 by the assessor or assessors, the secretary shall notify the municipality

49 in which the facility is located of the modification, in accordance with  
50 the procedure set forth in subsection (e) of this section. The secretary  
51 shall, on or before July fifteenth, annually, certify to the Department of  
52 Public Utility Control the amount due the municipality under the  
53 provisions of this section, including any modification of such amount  
54 made prior to July first. [, and the] On receiving certification of the  
55 amount due, the department shall determine whether the valuation set  
56 by the secretary is appropriate and whether the decrease in value is the  
57 direct result of restructuring of the electric industry. If the department  
58 finds that the valuation is appropriate and the decrease in value is the  
59 direct result of such restructuring, the department shall order the  
60 payment of such amount by the appropriate electric distribution  
61 company to the municipality in which the facility is located according  
62 to the following formula: Not later than five business days following  
63 the date on which the taxes are paid by the owner of an electric  
64 generation facility in July, but in no case prior to July fifteenth, the  
65 balance required to equal an amount equal to half of the amount of tax  
66 for which the owner of an electric generation facility is liable under  
67 this chapter with respect to such facility plus half of the amount  
68 calculated in subsection (c) of this section; on or before the thirty-first  
69 day of January immediately following, the balance required to equal  
70 an amount equal to half of the amount of tax for which the owner of an  
71 electric generation facility is liable under this chapter with respect to  
72 such facility plus half of the amount calculated in subsection (c) of this  
73 section. Following the payment of taxes by the owner of an electric  
74 generation facility in July, the town shall certify to the Department of  
75 Public Utility Control the amount paid by such owner of an electric  
76 generation facility. The amount paid shall be recovered by the electric  
77 distribution company through the systems benefits charge established  
78 pursuant to section 16-245l. If any modification is made as the result of  
79 the provisions of this section on or after the July fifteenth following the  
80 date on which the assessor has provided the amount in question, any  
81 adjustments to the amount due to a municipality for the period for  
82 which such modification was made shall be made in the next payment

83 the electric distribution company shall make to such municipality  
84 pursuant to this section.

85 (e) If the Secretary of the Office of Policy and Management modifies  
86 the amount calculated by the assessor or board of assessors pursuant  
87 to subsection (c) of this section, the secretary shall send written notice  
88 of such modification to the appropriate municipality. Not later than  
89 thirty days after the date the municipality receives such notice, the  
90 municipality may make application for a hearing before said secretary,  
91 or his designee. Such application shall be in writing and shall set forth  
92 the reasons why the amount in question should not be modified. The  
93 secretary shall grant or deny such hearing request by written notice to  
94 the municipality. If a request for hearing is denied by the secretary  
95 such notice shall contain a statement of the reason for said denial. Not  
96 later than sixty days after the date on which a hearing is held, said  
97 secretary shall send notice of his decision concerning such appeal to  
98 the municipality. If the municipality is aggrieved by the secretary's  
99 decision concerning the disposition of the municipality's appeal or the  
100 secretary's decision not to hold a hearing, such municipality may, not  
101 later than thirty days after receiving a notice related thereto from the  
102 secretary, make application in the nature of an appeal to the superior  
103 court of the judicial district in which the electric generation facility is  
104 located. Such application shall be accompanied by a citation to the  
105 secretary to appear before said court, and shall be served and returned  
106 in the same manner as is required in the case of a summons in a civil  
107 action. Said court may grant such relief as may be equitable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-94d

**Statement of Purpose:**

To allow certain municipalities in which electric generation facilities are located that have decreased in value as a direct result of restructuring of the electric industry to be eligible, until October 1,

2005, for a payment in addition to the tax that is due and to require the Department of Public Utility Control to review whether the decrease in value is accurate and a direct result of restructuring of the electric industry.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: SEN. STILLMAN, 20th Dist.; REP. RYAN, 139th Dist.  
REP. RITTER, 38th Dist.; REP. REYNOLDS, 42nd Dist.

S.B. 914